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SUBJECT: SCENESETTER FOR DEPUTY SECRETARY'S VISIT TO TUNISIA

Classified By: DEPUTY CHIEF OF MISSION DAVID BALLARD FOR REASONS 1.4 (b) AND (d)

- 11. (C) Embassy Tunis is very pleased to welcome you to Tunisia from May 19-20. As the highest ranking State Department official to visit Tunis since former Secretary Powell in December 2003, you are in an excellent position to reinvigorate with President Ben Ali a bilateral dialogue which focuses on finding ways to help Tunisia achieve its potential not only in social and economic spheres, but as a model of how democracy can work in a moderate Arab state.
- 12. (C) Advancing our Freedom Agenda in Tunisia has always been complicated by the fact that the leadership can claim, rightly, that it has pursued socio-economic policies that have made it arguably the most progressive and developed country in the Middle East and North Africa. Tunisia proudly and justifiably calls itself "a country that works." Despite Tunisia's relatively small economy and lack of natural resources, the Tunisian government has proven itself capable of providing basic education, health care, housing, and a workable infrastructure to its population of approximately 10 million. As a result, Tunisians are generally moderate and desire a secular government intent on modernizing the country and integrating it fully into the world economy.
- 13. (C) There is one area in which the regime has not progressed, however. Despite these positive parameters, political liberties remain tightly controlled and civil society development is stifled. With President Ben Ali and senior officials increasingly discussing Tunisia's political future, this is a key opportunity to reinvigorate our bilateral human rights dialogue.
- 14. (C) President Ben Ali and your GOT interlocutors will seek to focus on areas of mutual agreement, particularly Tunisia,s moderate voice on regional issues such as Palestine and Iraq. But they will likely anticipate your points on democratic reform and will present their well-practiced argument that the GOT has a plan for political liberalization, but that rapid reform is antithetical to security and stability. They will raise the specter of an internal Islamist threat arising should they open the political system too quickly. While an Islamist security threat exists, we do not believe that there are any viable, organized, political threats to the regime, including from Islamists. In fact, we often make the point that it is precisely because Tunisia is not at risk of radical Islamic accession to power via the ballot box that it can afford to liberalize its political system.
- 15. (S) POLITICAL REFORM: Although President Ben Ali has introduced some seemingly positive political reform steps in the past six months (pardoning some political prisoners,

lifting a form of censorship for print media, registering a new political party), civil society and human rights groups remain deeply cynical and continue to report many instances of government harassment, intimidation, and limits on their activities. (Embassy officers have personally witnessed some of these instances.) Journalists reject the suggestion that press censorship has ended and local media usually lack any meaningful coverage of domestic political issues. At the same time, in recent months, Ben Ali has given the clearest indications yet that he is considering stepping down before his death or incapacitation. This presents an opening for further discussions of reform issues and lends more relevance to our support for political reform, nascent parties and civil society. National elections - both presidential and legislative - will be next held in 2009.

- 16. (C) REGIONAL ISSUES: Tunisian officials will be eager to highlight the GOT,s moderate voice in regional issues, including:
- Iraq/Afghanistan/Darfur: The GOT is quietly supportive of our efforts in Iraq, including issuing public statements in support of the elections, and continues to maintain a diplomatic presence in Baghdad. Tunisia has been noncommittal about assistance to Iraq or in Darfur, while the MFA reports limited technical assistance has been provided to Afghanistan. Secretary Rumsfeld solicited Tunisian contributions to Afghanistan provincial reconstruction teams (PRT) and asked Tunisia to engage moderate Sunnis in Iraq during meetings with GOT officials in February and April. The GOT may be prepared to offer more concrete assistance during your visit.
- Iran: Tunisia has good, and improving relations with Iran, however it does not support Iranian efforts to develop nuclear weapons.
- Israel: Tunisia's low profile relations with Israel are also growing, including increasing numbers of Jewish pilgrims visiting the southern city of Djerba and the GOT's hosting of then-Israeli Foreign Minister Shalom during last November's U.N. World Summit on the Information Society. Israel also maintained a liaison office in Tunis for several years, but closed it shortly after the second Intifada broke out.
- Middle East: Recent political developments in Egypt and Palestine will be cited as evidence that U.S. efforts to spur democracy in the region are leading to the rise of radical, undemocratic Islamic groups.
- 17. (C) COUNTER-TERRORISM: Tunisian intelligence entities, under the Ministry of Interior, claimed to have increased the number of potential foreign fighters they have intercepted and have contributed to the diversion of the flow of foreign fighters to Iraq in the past year. Due to their continued reluctance to provide concrete and specific numbers to bolster this claim, as well as their reluctance to provide substantive information on domestic jihadist numbers and activities, an empirical evaluation remains elusive. Some Tunisian media, most particularly the Arabic-language newspaper ash-Shourouq (rumored to have close links to senior GOT officials), glorify violence, cheerlead Iraqi insurgents (including Zarqawi), and publish stories from Hezbollah-owned We believe that allowing this kind of coverage in al-Manar. what is clearly a government-controlled media environment is counterproductive and can work to undermine our shared anti-terrorism goals.
- 18. (C) ECONOMIC LIBERALIZATION: The GOT believes economic development is the best way to counter terrorism and extremism, and thanks to its policies, Tunisia has recorded five-plus percent economic growth annually during the last decade. However, significant vulnerabilities remain: unemployment rates (officially 14 percent) remain elevated; inflation is reducing purchasing power; and corruption is becoming more widespread and is leading to economic frustration. In the face of rising oil prices and the 2008 implementation of its trade agreement with the EU, Tunisia

must engage in further liberalization, particularly in services and franchising, to spur competitiveness, investment and job creation. Good governance and improved information flow is fundamental to unleashing Tunisia,s potential for job creation, enhancing confidence in a transparent business environment, and fostering greater economic stability. While some officials may refer optimistically to a future FTA as a natural progression of our 2002 TIFA, Tunisia is not actively undertaking the economic reform needed to make this a reality. HUDSON